

**Testimony of Hartford Mayor Eddie A. Perez Concerning the Proposed Acquisition of Travelers Life & Annuity Company by MetLife Inc.**

**June 7, 2005**

I am here today to express my concern about the details of MetLife's acquisition of Travelers Insurance Company and Travelers Life and Annuity, companies that have been part of the Hartford community since 1864. I believe that the acquisition deal as presently structured lowers the bar considerably on what is expected from insurers asking regulatory approval for acquisitions in the state and undermines the over \$1 billion investment by the city of Hartford and State of Connecticut in the revitalization of our Capitol city.

MetLife's elimination of 580 high paying insurance jobs in downtown Hartford with no commitment of continued employment beyond 2006, the refusal to base a Senior Executive in charge of a business line in Hartford, and an unusually small short-term commitment to philanthropic giving are all example of how this merger agreement lowers the bar for regulatory approval. Recent mergers and acquisitions approved including the Prudential/Cigna and St Paul/Travelers transactions have included strong job commitments, increased philanthropic giving, executive placement in Hartford and strong commitments on rental of office space and tax payments. MetLife's request as presently structured is not in the public interest. If the Insurance Commissioner approves this transaction, the bar will be significantly lowered for all future insurance transactions and the public's legitimate interest in jobs, government revenue and philanthropic giving will be left by the wayside. Travelers Life & Annuity is a healthy company that provides significant economic benefit to the City of Hartford and State of Connecticut. Its employees purchase millions of dollars in goods and services in downtown Hartford. The company and its employees have made millions of dollars in philanthropic gifts to support Hartford arts programs, educational programs for youth and efforts to increase Hartford homeownership. In one of the poorest cities in the country, their presence and corporate citizenship have made a tangible difference.

The city and state have identified the revitalization of Hartford as a top priority for the city and state and have committed over \$1 billion in public funds to spur private investment in new units of housing, retail space, parking, the Connecticut Convention Center and the Science Center. The approval of this transaction as presently structured would undermine the state and city investment in Hartford. This transaction will mean significantly fewer high paying insurance jobs in the city to support new investments in retail and housing. Hundreds fewer employees, means lower values in the office real estate market and less demand for newly constructed parking. Approving this \$11.5 billion transaction under the present terms flies in the face of common sense, as we are simply going to spend more public development dollars to make up for the economic damage caused by allowing MetLife to receive a more favorable deal than their Hartford based competitors who were required to live up to a higher standard.

In my view this transaction is not presently in the public interest and needs significant modification to make it conform to previously approved agreements. I urge to the Commissioner to carefully review previous transactions an the significant public investment in our city in order to make this transaction conform to the standard of public interest.